TITLE: Financial Assistance Guidelines	EFFECTIVE DATE: 01/01/2025
DEPARTMENT: Business Office/Patient Financial Services	APPROVED BY: Masresha Kassa Policy and Procedure Committee
REFERENCES: North Carolina Healthcare Access and Stabilization Program (HASP) Medical Debt Relief Guidelines. CMS Manual Pub 15-1, Chapter 3: Bad Debts, Charity and Courtesy Allowances	

Scope:
This policy applies to all facility areas responsible for determining eligibility and processing financial assistance discounts for underinsured and uninsured patients at LifeBrite Community Hospital of Stokes. It aligns with North Carolina's Healthcare Access and Stabilization Program (HASP) medical debt relief requirements.

Purpose:
To define the criteria and procedures for providing full or partial financial relief to eligible patients who have received medically necessary services at LifeBrite Community Hospital of Stokes and meet income or hardship qualifications under HASP guidelines

Policy:
General Scope:
1. Patients must have received inpatient or outpatient medically necessary services to qualify for financial assistance.
2. Insured patients with outstanding balances after third-party payments may be eligible for assistance under this policy.

Medicaid and FPL Lookbacks

1. Medicaid Patients:
   - Any unpaid medical debt dating back to January 1, 2014, for individuals currently enrolled in Medicaid will be reclassified as charity care by July 1, 2025.
   - Patients who enroll in Medicaid and proactively seek relief will have their past medical debt forgiven.
   - The hospital will provide notice within 30 days of debt reclassification.

2. Income-Based Lookbacks (Federal Poverty Level - FPL):
   - By June 30, 2026, the hospital will forgive uncollectible medical debt for individuals with incomes at or below 400% of FPL or where total medical debt exceeds 5% of annual income.
   - For patients under 300% FPL, any payment plan exceeding 36 months will result in the remaining balance being relieved.

Presumptive Eligibility

Patients meeting any of the following criteria will be automatically eligible for financial assistance without requiring an application:
- Homelessness

- Mental incapacitation with no legal representative
- Enrollment in Medicaid or another public assistance program (WIC, SNAP, etc.)
- Patients determined eligible by a community clinic under similar income-based guidelines

Screening for non-income based presumptive eligibility will be completed with patient notification at the following times:

- Non-emergency services: Patients will be screened prior to or at check-in and will be notified of results prior to discharge.
- Emergency department services: Patients will be screened as soon as possible (prior to discharge if feasible), and will be notified of results prior to issuing a bill.

Income-Based Assistance and Sliding Scale

Patients not meeting presumptive eligibility may qualify under income-based assistance:

- 0-200% of FPL: 100% debt forgiveness
- 201-250% of FPL: Balances capped at 3% of annual household income or 25% of patient balance, whichever is lower.
- 251-300% of FPL: Balances capped at 3% of annual household income or 50% of patient balance, whichever is lower.
- 301-400% of FPL: Balances capped at 4% of annual household income.

Required Documentation:

If not automatically eligible, patients must submit the following:

1. Most recent federal tax return (or state equivalent)
2. W-2/1099 forms
3. Last three months of bank statements
4. Proof of income (pay stubs, unemployment, disability)
5. Outstanding medical bills
6. Proof of residency (utility bills, mortgage, or rental agreement

Debt Collection Protections:

1. The hospital will not:
   - Sell or transfer medical debt
   - Charge interest on medical debt
   - Report medical debt to credit bureaus
   - Pursue legal actions such as liens, wage garnishments, or property foreclosure
   - Any third-party collections agency contracted by the hospital must comply with HASP standards and adhere to hospital policies.

Appeals Process:

Patients denied financial assistance may file an appeal with the Patient Financial Services Director or Revenue Cycle Management for review. Appeals must be submitted within 30 days of denial notification.

Procedure:

1. Patients eligible for Medicaid and Federal Poverty Lookback debt forgiveness will have their accounts adjusted and be notified of charity care medical debt forgiveness per policy.
2. Before an application for Financial Assistance can be considered, the patient/guarantor may be asked to apply for Medicaid and present a denial letter with the application.
3. Dually eligible Medicare and Medicaid patient accounts must include the Medicare and the Medicaid remittance advice as evidence the patient is dually eligible and automatically qualifies for an indigent care

write off. These patients are not required to complete a financial assistance application but must attest that they are not financially able to pay.

4. An application for financial assistance will be completed with all financial and social information and submitted to the Patient Accounts Collection Representative for review (Assistance may be requested from Social Services)
    a. Medicaid Denial Letter if requested by the facility or clinic
    b. Most recent prior year's tax returns including W2s/1099s/Schedule C
    c. Proof of income
        - If working, paycheck stubs for the previous month
        - If unemployed and receiving unemployment check, provide check stub or unemployment compensation determination letter
        - If income is from a retirement fund, pension, rental property, etc. provide proof of the source and amount of income received (If funds are electronically sent to the bank, this can be used as proof of income).
    d. If income has changed since last tax return, provide a written explanation.
    e. Proof of disability/physicians work order restriction.
    f. Outstanding medical bills other than bills at LBCH of Stokes.
    g. Rent or mortgage payment receipt for one month.
    h. Utility bills; gas; electric; water and sewage
    i. Three months bank statements (checking and savings)
5. After review, the completed application will be approved or denied. Reduced payment arrangements will also be determined.
6. The application must be complete including signatures, dates and all applicable documents attached before the facility or clinic will accept for processing. If an incomplete application is received, it will be returned to the patient/guarantor.
7. The Financial Application will be returned to LBCH of Stokes or LifeBrite Clinics within 2 weeks.
8. Approval is based on a sliding scale methodology for income-based assistance.
9. The Business Office Manager, Clinic Coordinator and the Hospital Administrator will review and approve account adjustments.
10. The Financial application is valid for 6 months after review.
11. The hospital administrator reserves the right to grant approval for financial aid based on extraordinary circumstances on a case-by-case basis.
12. A letter will be sent to the guarantor by the patient financial services representative with a list of accounts and amounts approved/not approved within 30 days of review.
13. Any account that is proven to be indigent eligible should be placed into the Indigent Financial Class.

Reviewed/ Revised		3/2025 PPT						
Date/ Initial	1/1/2025 MK	3/2025 PPT						